

TIMBER NOTICE OF SALE**SALE NAME:** DRY CANYON**AGREEMENT NO:** 30-076192

AUCTION: November 16, 2004 starting at 10:00 a.m.,
Northeast Region Office, Colville, WA

COUNTY: Pend Oreille

SALE LOCATION: Sale located approximately 20 miles northeast of Usk, WA

PRODUCTS SOLD AND SALE AREA: All green ponderosa pine and red cedar greater than 8.0 inches dbh and all other green species greater than 6.0 inches dbh not banded with blue paint bounded by white timber sale boundary tags in Units #1, #2, #3, #4, and #5. on part(s) of Sections 30 all in Township 35 North, Range 45 East, Sections 7 and 18 all in Township 35 North, Range 44 East, W.M., containing 228 acres, more or less.

ESTIMATED SALE VOLUMES AND QUALITY:

| Species | Avg DBH | Ring Count | Total MBF | MBF by Grade | | | | | |
|---------------------|---------|------------|-----------|--------------|-----|-----|-----|----|-----|
| | | | | #1 | #2 | #3 | #4 | #5 | #6 |
| Douglas fir | 12.8 | | 1,600 | 695 | 858 | 47 | | | |
| Grand fir | 10.6 | | 603 | | | 82 | 521 | | |
| Lodgepole | 11.4 | | 453 | | | | | | 453 |
| 4-5" top (all spp.) | | | 414 | | | | | | |
| Larch | 13 | | 413 | | | 132 | 281 | | |
| Red cedar | 15.5 | | 322 | | | | | | |
| Ponderosa pine | 19.2 | | 267 | | | 29 | 238 | | |
| Hemlock | 9.9 | | 163 | | | 27 | 136 | | |
| Spruce | 10.2 | | 75 | | | 12 | 63 | | |
| Alpine fir | 13.8 | | 37 | | | 3 | 34 | | |
| White pine | 11.3 | | 12 | | | 10 | 2 | | |
| Sale Total | | | 4,359 | | | | | | |

MINIMUM BID: \$1,043,000.00

BID METHOD: Sealed Bids

PERFORMANCE SECURITY: \$100,000.00

SALE TYPE: Lump Sum

EXPIRATION DATE: October 31, 2006

ALLOCATION: Export Restricted

BID DEPOSIT: \$104,300.00 or Bid Bond. Said deposit shall constitute an opening bid at the appraised price.

HARVEST METHOD: Forwarder, Helicopter, Highlead, Motorized Carriage, Rubber tired skidder, Shot gun, Shovel, Slackline and Track skidder. Falling and Yarding will not be permitted from March 1 to May 1 unless authorized in writing by the Contract Administrator due to spring breakup.

ROADS: 25.42 stations of required construction. 16.53 stations of required reconstruction. 18.65 stations of road abandonment required. 172.59 stations of pre-haul maintenance required. Road construction will not be permitted from March 1 to May 1 unless authorized in writing by the Contract Administrator due to spring breakup. The hauling of forest products will not be permitted from March 1 to May 1 unless authorized in writing by the Contract Administrator due to spring breakup.

ACREAGE DETERMINATION

CRUISE METHOD: Acreage determined using GPS methods. Acreage shown above is net harvest acres. There are 232 gross acres which includes existing road right of ways. Ponderosa pine and red cedar 8.0 - 16.5 inches dbh cruised to a 5.5 inch dib top. Ponderosa pine and red cedar 16.6 inches dbh and greater cruised to 40% of dob at 16 feet. All other species 6.0 - 17.5 inches dbh cruised to a 4.0 inch dib top. All other species 17.6 inches dbh and greater cruised to 40% of dob at 16 feet. 5 inch top (all spp), except ponderosa pine and red cedar, cruised to between 4.0 and 5.5 inches dib top.

FEES: \$57,756.00 is due on day of sale. \$9.00 per MBF is due upon removal. These are in addition to the bid price.

SPECIAL REMARKS: Purchaser must enter into a road use permit with Kelly Davis for consideration of one gate to the specifications contained in the road plan and any timber cut associated with the RUP will be paid to the landowner at the contract stumpage rates.